

January 17, 1984

LB 496

and then to learn that his wife is pregnant and that the cost of the pregnancy, the medical costs, will not be covered by insurance because the insurance policy lapsed since the employer failed to meet the premium payments from the employee's paycheck. I have had several such cases, incidentally, as my work as a lawyer and all I can ever tell the employee is, well, you have got a civil remedy against the employer for misappropriation of your money and you may very well be able to go against the employer for your pregnancy costs, for example. On the other hand, the employer is now defunct. The employer is in bankruptcy or the employer is an empty sack and going after the employer is a meaningless act. So you simply are stuck by virtue of the defalcation of your employer. This bill simply says, Mr. Employer or Mrs. Employer or Miss Employer, if you do this, if you do this, if you fail, if you misallocate, if you misappropriate somebody else's money or if you fail to live up to the agreed provisions of your bargaining agreement or other agreement which requires you to pay money and if you do it willfully, it is a crime, it is a crime. So don't do it. Simple bill. I move its advancement.

SPEAKER NICHOL: Senator Goll.

SENATOR GOLL: Mr. Speaker and members of the Legislature, I rise in opposition to LB 496. I sat on the Business and Labor Committee which heard this bill and in my opinion this legislation would work against the people of the State of Nebraska. You will note in the committee statement that I was one of two members of that committee that voted against advancement to the floor. In a nutshell, what LB 496 would do is make it a criminal violation to breach a particular type of contract, that is one dealing with contributions to employee benefits. Contracts have been made and broken and enforced in the business community for hundreds of years. In no other instance, in no other instance in Nebraska law are contracts enforced using criminal sanctions. As any businessman knows, literally hundreds of contracts are made for all sorts of purposes and all are carried out using normal contract law, mainly lawsuits seeking damages. This bill would elevate one particular type of contract to a greater importance than all other obligations. What this bill is saying is that if your business is suffering through hard times, you must pay into pension funds or other